

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
WALNUT VALLEY WATER DISTRICT**

**March 16, 2009
At the Offices of the District**

DIRECTORS PRESENT:

Edwin M. Hilden, President
Ling Ling Chang
Theodore L. Ebenkamp
Scarlett Kwong
Allen L. Wu

STAFF PRESENT:

Timothy J. Gosney, Legal Counsel
Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Shawna Whallon, Director of Finance
Brian Teuber, Deputy Director of Finance
Jo Ann Angelico, Assistant Secretary

The meeting was called to order at 6:00 p.m. with President Hilden presiding.

Guests and others in attendance: Ms. Karalee Etheridge, representative for Congressman Gary Miller, and Director Joe Ruzicka of Three Valleys Municipal Water District

Item 3: Public Comment – President Hilden

- ◆ There were no requests to make public comment

Item 4: Additions to Agenda – President Hilden

- ◆ There were no requests for additions to the agenda.

Item 5: Reorder of Agenda – President Hilden

- ◆ There were no requests for reorder of the agenda.

Item 6: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Special Board Meeting held February 11, 2009 and the Minutes of the Regular Board Meeting held February 17, 2009; the March 2009 check register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried, to receive, approve, and file the Consent Calendar consisting of the minutes of the Special Board Meeting held February 11, 2009, and the Regular Board Meeting held February 17, 2009; the March 2009 Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, 5 & 6)

Item 7: Director Expense Reports

- ◆ The Board was asked to receive, approve, and file the Board member expense reports indicating per diem requests for meeting attendance and the individual reports of additional expenses incurred by the District on behalf of each Director. President Hilden noted a correction to his expense report to change the February 12 “TVMWD Board Meeting” item to read “TVMWD Leadership Breakfast.”

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried, to receive, approve, and file the Board member expense reports for meeting attendance, including the correction as noted by President Hilden. (Item 7)

Item 8: Treasurer’s Report – Shawna Whallon

- ◆ Ms. Whallon presented the District’s Statement of Revenues, Expenses, and Change in Net Assets; Statement of Net Assets; and the Summary of Cash and Investments as of February 28, 2008.

Upon consideration of the Treasurer’s report, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried, to receive and file the District’s Statement of Revenues, Expenses, and Change in Net Assets; Statement of Net Assets; and the Summary of Cash and Investments as of February 28, 2008. (Items 8-1, 2, &3)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Wu

- ◆ The Board was asked to authorize the appropriation of \$16,000 from the District’s Reserve for Replacement fund and to authorize the General Manager to execute a Sole Source Agreement with Fuel Pros, Inc. for the installation of upgrades to the District’s gasoline dispensing facility required to meet Phase II Enhanced Vapor Recovery requirements at a cost of \$13,990.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried, to authorize the appropriation of \$16,000 from the District’s Reserve for Replacement fund and to authorize the General Manager to execute a Sole Source Agreement with Fuel Pros, Inc. for the installation of upgrades to the District’s gasoline dispensing facility as required to meet Phase II Enhanced Vapor Recovery requirements at a cost of \$13,990. (Item 9-A-1 & 2)

Item 10: Personnel Committee – Director Hilden

- ◆ The Board was asked to review the District’s current Board reorganization process, determine if a change is desired, and direct staff to follow-up accordingly. The Board determined that no change is needed at this time.
- ◆ The Board was asked to consider revising the Guidelines for Board Compensated Meetings and Activities policy to allow for payment of per diem to Directors for attendance at meetings and functions sponsored or conducted by community organizations within District boundaries at which water-related presentations are made. A few other minor language clean-up changes were also proposed.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to approve the amended Guidelines for Board Compensated Meetings and Activities as presented. (Item 10-A)

Item 11: Finance Committee – Director Kwong

- ◆ The Board was asked to receive, approve, and file the February 2009 monthly Investment Transactions Report.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Wu and unanimously carried, to receive, approve, and file the monthly Investment Transactions Report for February 2009. (Item 11-A)

- ◆ The Board was asked to receive and file the P-W-R Joint Water Line Commission Financial Statements and Audit Report for fiscal year 2007-08.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Chang and unanimously carried, to receive and file the P-W-R Joint Water Line Commission Financial Statements and Audit Report for fiscal year 2007-08. (Item 11-B)

- ◆ The Board was asked to reject and forward to JPIA a claim submitted by Ms. Elena Shubin for damages sustained to her vehicle allegedly resulting from an incident involving a District vehicle. It was noted that the claim is already under review by the JPIA.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried, to reject the claim submitted by Ms. Elena Shubin and forward it to the JPIA for further handling. (Item 11-C)

- ◆ The Board was asked to receive and file the 1998 Certificates of Participation 5-Year Installment Arbitrage Rebate Report for the period ending November 19, 2008.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried, to receive and file the 1998 Certificates of Participation 5-Year Installment Arbitrage Rebate Report for the period ending November 19, 2008 (Item 11-D)

Item 12: Public Information/Community Relations/Legislative Action – Director Chang

- ◆ The Board was asked to adopt a Proclamation declaring the month of May as “Water Awareness Month.”

Upon consideration thereof, it was moved by Director Chang, seconded by Director Ebenkamp and unanimously carried, to adopt a Proclamation declaring the month of May as “Water Awareness Month.” (Item 12)

Other Items**Item 13: TVMWD/MWD – President Hilden**

- ◆ The Board received updated information from the MWD March 12, 2009, Board meeting regarding the 2009 Water Supply Allocation Plan.
- ◆ The Board received updated information from the MWD March 12, 2009, Board meeting regarding MWD’s proposed rates and charges for 2009-10.
- ◆ President Hilden reviewed activities from the TVMWD February 2009 Board meeting.

Item 14: The P-W-R Joint Water Line Commission – President Hilden

- ◆ President Hilden noted the items included in the Board packet, specifically the Water Usage Report for the month of February.

Item 15: Puente Basin Water Agency – Directors Ebenkamp/Chang

- ◆ There was no report on the Puente Basin Water Agency.

Item 16: General Manager Report – Mike Holmes

- ◆ Mr. Holmes reported on a recent trip to Sacramento and meetings with legislators to discuss the Southern California water situation and the proposed new NPDES permit requirements.
- ◆ He also noted that Ms. Karalee Etheridge, a representative from Congressman Miller’s office, had been present for the majority of the meeting but had to leave before the meeting concluded. He also introduced Mr. Joe Ruzicka of Three Valleys, and Mr. Eric Robbins of Sierra Water Group.

Item 17: Directors' Oral Reports

(NOTE: Board meeting Minutes provide written reports of Board meeting activities and committee meeting reports are given during the course of regular Board meeting activities)

- ◆ Director Wu noted his committee and Board meeting attendance. He also attended the TVMWD Leadership Breakfast meeting
- ◆ Director Ebenkamp reported on his attendance at the TVMWD Leadership Breakfast meeting, TVMWD Board meeting, P-W-R Joint Water Line Commission meeting, and on Building Ad Hoc Committee activities
- ◆ Director Hilden reported on his attendance at the TVMWD Leadership Breakfast meeting and the Special District Institute Governance Seminar
- ◆ Director Kwong reported on her attendance at the Special District Institute Governance Seminar
- ◆ Director Chang reported on her attendance at the ACE Dedication ceremony for the Brea Canyon Road grade separation project

Item 18: Board of Directors Business

- ◆ The Board was asked to consider follow-up options for the ACWA/JPIA Executive Committee election. It was noted that only one request for a concurring resolution had been received, from South Sutter Water District for Mr. Thomas A. Cuquet.

Upon consideration thereof, it was moved by President Hilden, seconded by Director Ebenkamp and unanimously carried, to adopt a resolution concurring in the nomination of Mr. Thomas A. Cuquet of South Sutter Water District to the ACWA/JPIA Executive Committee. (Item 18)

Item 19: Legal Reports

- ◆ Mr. Gosney, who is on the ACWA Legislative Committee, mentioned that over 2,200 bills had been introduced in the state legislature so far this session. He then noted that there would be a brief closed session following the regular meeting.

Item 20: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes referred to the March, April, and May 2009 calendars as previously provided.

Item 21: Subjects for Future Meetings

- ◆ Director Wu asked that, in the interest of continuity, Mr. Gosney be the District's legal representative in attendance at all Board meetings.
- ◆ Director Ebenkamp suggested, in conjunction with the month of May being proclaimed Water Awareness Month, that the General Manager or a Board member interview on the local cable channel to present information on the current water shortage situation.
- ◆ Director Kwong asked that the Public Information Committee discuss the effectiveness of the District's billing inserts when compared to a phone bank-type message for customers.

Item 22: Adjourn to Closed Session – 6:50 P.M.**Item 23: Closed Session – 7:15 P.M.**

- ◆ The Board met in closed session in accordance with Government Code §54956.9[a] to discuss two cases of pending litigation: (1) Karen Powers v. Walnut Valley Water District and Does 1-25, Los Angeles Superior Court Case No. KC052479R, and (2) Walnut Valley Water District v. Nationwide Auction Systems, Los Angeles Superior Court Case No. POM08C03198.
- ◆ The Board also met in closed session in accordance with Government Code §54956.8 to discuss real property negotiations concerning price and terms of payment pertaining to water transfers involving North Kern Water Storage District and the Department of Water Resources, Drought Water Bank.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 8:40 P.M.

- ◆ The Board met in closed session in accordance with Government Code §54956.9[a] to discuss two cases of pending litigation, (1) Karen Powers v. Walnut Valley Water District and Does 1-25, Los Angeles Superior Court Case No. KC052479R, and (2) Walnut Valley Water District v. Nationwide Auction Systems, Los Angeles Superior Court Case No. POM08C03198. Staff and Legal Counsel were given instruction on how to proceed. No action reportable under the Brown Act was taken.
- ◆ The Board also met in closed session in accordance with Government Code §54956.8 to discuss real property negotiations concerning price and terms of payment pertaining to water transfers involving North Kern Water Storage District and the Department of Water Resources, Drought Water Bank. The negotiators were given instruction on how to proceed. No action reportable under the Brown Act was taken.

Item 25: Legal Counsel Review of Form 700 Filing Guidelines

- ◆ Legal Counsel provided written guidelines regarding Form 700 (Conflict of Interest) reporting requirements and responded to questions from the Board.

Adjournment at 8:46 P.M.